

# REGULAR BOARD OF TRUSTEES MEETING MINUTES

**Tuesday, February 27, 2007**

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Don Bennett called the meeting to order at 10:06 a.m. Other Board members present included Kevin Boehnlein, Karen Davis, Cari Whicker and Tony Armstrong (delegate for Chuck Schalliol).

TRF staff present included Cristy Wheeler, Bob Newland, Tom Abbett, Crystal Lawson, Phil Barnes, Bethaney Matlock, Tom Davidson, Phil Barnes, Steffanie Rhinesmith, Becky Carter, Ken Smithee, and Dan Diebolt. Also in attendance were Ralph Ayres of IRTA, Kim Doggett and Mike Dunn, from Franklin Portfolio Associates.

The Agenda was presented.

Kevin Boehnlein moved to approve the agenda. Tony Armstrong seconded the motion. The motion carried.

The minutes of the January 30, 2007 meeting were presented.

Kevin Boehnlein moved to approve the minutes. Tony Armstrong seconded the motion. The motion carried.

Dan Diebolt presented a summary of retiree payments for the month of March 1, 2007.

Karen Davis moved to approve the payments. Kevin Boehnlein seconded the motion. The motion carried.

Tom Abbett presented the expenditures and actual expenses for January 2007.

Bob Newland reviewed the fourth quarter results by distributing investment handouts from Callan Associates. He reviewed pages 16 through 23. Don Bennett requested a five year summary of managers performance compared to peers. Bob Newland stated that the investment staff will work on putting that together for the next Board meeting.

Bob Newland discussed the guaranteed fund rate for fiscal year 2007-08. Staff recommended the rate be increased to 6.0%.

Kevin Boehnlein moved to approve 6.0% as the fiscal year 2007-08 guaranteed fund rate. Cari Whicker seconded the motion. The motion carried.

Bob Newland presented an emerging manager hand-out defining two approaches. Most Indiana firms fall into the emerging manager's category and studies show strategic uses for these firms; however, challenges arise with smaller firms. Steffanie Rhinesmith discussed potential managers, from Indiana, on the horizon.

Don Bennett granted a five minute recess to the Board. The meeting resumed at 11:05 a.m.

Dan Diebolt discussed the average pension benefit per month to satisfy the Board's inquiry from the previous meeting. He stated that a strong possibility of why pensions for that month were lower was because of delayed retirements.

Cristy Wheeler mentioned a Senate luncheon that she was invited to by Ralph Ayres as well as an invite from Sally Sloan to speak to a Spring Leadership group.

Cristy Wheeler continued the monthly highlights by discussing the status of current legislation. She stated the COLA bill passed the House and the 1.6 benefit multiplier did not. Cristy also discussed Illinois' recent injunction and finding that the Sudan divestment legislation was unconstitutional.

Tom Davidson summarized the Anthem contract renewal process by discussing the RFP for healthcare and the responses. Tom stated that Anthem was the only competitive bid and there would be no increase in the premiums. Cristy Wheeler added that RE Sutton & Associates implemented a dedicated line for customer intervention when Anthem doesn't satisfy their questions. Tom Davidson expressed the Fund's contentment with Gayle Buyers from RE Sutton.

Tony Armstrong moved to approve the Anthem contract renewal. Karen Davis seconded the motion. The motion carried.

Tom Davidson presented the Administrative Code revisions to the Board detailing the required steps to revising the Code including: complying with LSA provisions, OMB's approval, and the Board's approval. Tom Davidson distributed a hand-out citing the updated version of IAC 2-1-13. The Administrative Code discussion was then postponed to next month's Board meeting because of the scheduled guest speaker.

Steffanie Rhinesmith introduced guest speakers, Kim Doggett and Mike Dunn, from Franklin Portfolio Associates who educated the Board on a 130/30 Hedge Fund Strategy.

The March meeting was set for March 27, 2007 at 10:00 a.m. Karen Davis confirmed that she will not be in attendance for March's meeting. The April meeting was tentatively scheduled for April 24, 2007.

There being no additional business, Kevin Boehnlein moved to adjourn the meeting. Cari Whicker seconded the motion. The meeting adjourned at 12:24 p.m.